



## Bellevue's Capital Investment Strategy Preliminary Budget – Reprint of 10/6/14 Overview Memo

This is the sixth in a series of Council discussions regarding the City's capital investment strategy—a look at potential capital needs and revenue sources beyond the status quo CIP. This discussion is occurring in parallel with the regular, two-year update of the base CIP.

### **Tonight's Objective:**

*Continue the discussion of the “beyond the status quo” capital investment strategy. Provide preliminary direction on next steps, including both near-term and longer-term actions.*

### **Background:**

Near the beginning of this year, the Council indicated its interest in developing a long-term capital investment strategy, and the Council and staff have been engaged in a series of discussions on this topic since March. To date, the discussions have included the following:

- Review of a staff-generated list of unfunded capital projects, drawn from existing plans and other sources and representing significant needs and opportunities. The list amounted to \$1.2 billion (\$2014), and would be even larger with inclusion of the recently developed fire facilities plan.
- Review of CIP revenue forecasts for the next 20 years. Based on the existing CIP revenue stream, about \$400 million (\$2014) will likely be available over the next 20 years for all discretionary CIP projects (i.e. projects other than debt and ongoing maintenance).
- Endorsement of a process “road map” to sequence Council discussion of a “beyond the status quo” CIP.
- Review of a set of draft principles to guide the investment strategy.
- Sorting of the unfunded capital needs by the Council priorities developed earlier this year.
- Council feedback on a specific sub-set of priority projects that Council may desire to pursue, beyond those projects that can be funded via the status quo CIP revenues.
- Informal Council polling as to the urgency of this sub-set of priority projects.
- Review of a set of “strawman proposals” of projects and revenues. Projects in the “strawman” were drawn from the Council sub-set of priority projects, and included only those that the greatest number of Councilmembers rated as highly urgent. The “strawman” project proposals were coupled with an array of “strawman” funding options, and included revenues available by Councilmanic action, revenues available as voted measures, and a combination of the two.

The July 28 agenda materials are re-printed as Attachment A, and summarize this process in further detail. The Council has indicated a desire to draw some conclusions about potential near-term actions during this year's budget development process. Tonight's study session is an opportunity to engage on this topic one last time before the City Manager's delivery of the Preliminary Budget.



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### Effects of East Link-Related CIP Expenditures

At the July 28 CIP study session, Council requested additional information on the effects of East Link on the CIP, in recognition that it is a very significant driver of CIP expenditures. This is particularly timely given the fact that in the coming months, with new baseline cost estimates available, the Sound Transit MOU calls for an updating of the City's East Link contributions. Moreover, newer factors, such as the potential siting of the Operations and Maintenance Facility in Bel-Red, have emerged to raise questions about how the MOU may be affected.

To re-cap, the existing East Link MOU was executed in 2011 and commits the City to two categories of expenditures: 1) an "up-front contribution" worth \$100 million in value to Sound Transit; and 2) a "contingent contribution" of up to \$60 million, the actual amount depending on how successful cost savings have been in whittling down the updated East Link cost estimate.

The up-front contribution, while worth \$100 million against Sound Transit estimated costs, entails far less than \$100 million in City expenditures because it is to be achieved by a variety of means such as use of existing City-owned land and utility relocates. For actual City expenditures, the City is to receive full credit against Sound Transit estimated costs; this includes expenditures for properties where the City plans to share the Sound Transit use with its own use. An example would be property the City would acquire to be used both for the East Link guideway and for the City's own NE 15<sup>th</sup>/Spring Boulevard project.

No funds are currently programmed in the CIP for the potential \$60 million "contingent contribution," for two reasons: 1) the amount of such contribution is currently unknown, and 2) if funding is needed, it is not due until after the 2021 expiration of the next CIP.

Beyond the MOU, East Link has driven CIP programming in a number of ways:

- a) Results of the cost savings work and the ultimate alignment of the Downtown station on NE 6<sup>th</sup> Street created new impacts on the City Hall plaza, parking supply, and Metro site (eventually to be City-owned) that were not anticipated in the MOU. The added City costs are included in the draft 2015-21 CIP, but the effect is neutral because the draft CIP also includes the assumption of \$14 million in new revenue from Sound Transit as reimbursement for these added costs.
- b) The draft CIP programs several City projects to coincide with Sound Transit construction, because this is advantageous for the City. These are not a part of the MOU. Constructing them in concert with East Link will save the City and/or the combined public agencies significant dollars and avoid separate project disruptions. For example, construction of the major portion of NE 15<sup>th</sup>/Spring Boulevard Zone 1 at the same time as East Link will cost the City roughly half of what it would cost to build that project after the light rail line becomes operational. Likewise, the City's need for reconstruction/widening of 120<sup>th</sup> and 124<sup>th</sup> in and around the light rail underpass will occur in a much more efficient and cost-effective manner if done in concert with light rail construction.
- c) A third set includes City-driven projects that simply help realize the opportunities created by



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East Link. Only one of these is included in the draft 2015-21 CIP—design for Spring Boulevard Zone 2, the street section that runs through the heart of the Spring District. Other complementary projects are on the “beyond the status quo” CIP list but not funded.

- d) A final category includes expenditures needed to support City staff and consultants working with Sound Transit as directed by Council to achieve the right delivery of East Link for Bellevue. These costs are budgeted in the “East Link Analysis and Development” project in the Base CIP.

These various types of East Link-related CIP projects are shown in Attachment F. In summary, East Link affects the CIP in a variety of ways. Regarding the MOU, the only programmed CIP projects are in the category of “up-front contributions” and amount to a grand total of \$54.3 million that together with other City contributions, yield a total of \$100 million in value to Sound Transit. The majority of this \$54 million would be needed for City projects even in the absence of the East Link MOU. Other East-Link-related CIP projects are entirely City-driven, to realize City efficiencies and opportunities. While East Link is a major driver of the CIP, and we are nearing the point where the MOU will be reassessed, it does not fundamentally alter the line of the Council’s discussion to date regarding “beyond the status quo” CIP needs.

### **New Development—Potential Effects of Long-Term Debt related to Base CIP**

As part of tonight’s Base CIP discussion, under a separate agenda item, the Council is presented with options for meeting CIP cash flow needs. For a variety of reasons, the needed timing of base CIP expenditures will outpace base CIP revenue collection. One way to meet these timing needs is to issue long-term (20-year) debt, which makes funding available in the near term to meet these cash flow needs, and indeed this is the option recommended by staff. Use of this long-term debt would be for identified projects that deliver significant long-term benefits.

The effect of using long-term debt in the base CIP is to bring a portion of the status quo CIP revenue stream forward into the near-term. As recommended, about \$4.2 million per year, out to the year 2035, would be used to fund 20-year bonds issued in 2015. This would have two results: 1) it addresses the cash flow need so that revenues for the base, updated CIP are available as needed; and 2) it would leave approximately \$36 million of revenue available to be programmed at the end of the new CIP, in the year 2021. It would be Council’s prerogative to program that funding to meet additional, high priority needs. But it is not new revenue; it does nothing to address the identified gap between over a billion dollars in unmet projects and \$400 million in available revenues. Further, it would not be available until seven years from now, so it cannot be used to address urgent, immediate needs. Therefore this use of long-term debt, as recommended in the Base CIP, does not change the need for continued progress on the “beyond the status quo” CIP discussion.



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### **Direction Requested**

#### **Discussion Topic 1: Near-Term Action**

*Question: Does the Council wish to increase revenues available for the new 2015-21 CIP, in order to address urgent, time-sensitive needs that cannot be met through status quo funding?*

The Council has worked through a series of meetings to explore and prioritize some of the unmet CIP project needs, which amount to hundreds of millions of dollars above what can be funded through the existing CIP revenue stream over the next 20 years. The July 28 “strawman” proposals were based on the Council’s own ranking of projects, focusing on those strongly linked to Council priorities and that a majority of Councilmembers had ranked as urgently needed in the near term. Action now to bring an additional \$25 to \$50 million into the next CIP would advance some of these urgent projects.

While the July 28 materials included both Councilmanic revenue options and voted options, in the near term the most probable option would be Councilmanic action only. For example, if the Council were to implement a 5% property tax increase to meet urgent CIP needs, this could be bonded in 20-year debt to bring another \$25 million into the next CIP. This would translate to \$25 per year for a \$500,000 Bellevue home and \$50 per year for a \$1,000,000 home. It is important to note that Bellevue’s share is only 11% of the overall King County property tax, and this share has been declining in recent years. Therefore a 5% City property tax increase is actually less than a 1% increase in a Bellevue home’s overall property tax.

**Feedback Requested:** Staff is seeking direction as to whether the Council wishes to raise additional revenues by Councilmanic action to meet urgent project needs for the next CIP. There are a variety of Councilmanic revenue options available. Staff will present a “strawman” at your meeting, which will be driven by the Council’s discussion to date and the “strawman” proposals presented on July 28 (re-printed in Attachment B).

#### **Discussion Topic 2: Longer-Term Action**

*Question: Does the Council wish to take the next steps in exploring additional means for meeting some of the needs that cannot be met with status quo CIP revenues?*

Even if the Council were to raise some additional revenues through Councilmanic action in the near term, the list of unmet capital needs will remain daunting. Needs such as transportation, public safety (including the recently reviewed fire facility needs study) and cultural resources all warrant additional attention. Beyond the near-term Councilmanic options, Council can also consider longer-term Councilmanic and/or voter-approved options.

Significant public engagement would be needed around a longer-term capital investment approach. If, for example, the Council were to explore a voted measure that would appear on the ballot in 2016, significant public engagement would need to be underway by mid-2015 at the latest.

**Feedback Requested:** Staff is seeking direction on whether Council wishes to initiate a public engagement process around the City’s unmet capital needs and potential approaches to meeting some



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portion of the funding gap. This would include exploring a variety of options, including a possible voted measure.

### **Attachments:**

- B. July 28, 2014 agenda memo -- reprinted
- C. July 28, 2014 "Strawman Proposal" - reprinted
- D. Councilmember-identified list from the June 9 discussion
- E. Revenue matrix of possible funding options showing "who pays"
- F. Property taxes for an average Bellevue homeowner
- G. East Link MOU Project Connections



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This is the fifth in a series of Council discussions regarding the City's capital investment strategy—a look at potential capital needs and revenue sources beyond the status quo CIP. This discussion is occurring in parallel with the regular, two-year update of the base CIP (see related item on tonight's Agenda), and looks at a more comprehensive set of needs and resources.

Per Council direction on June 30, tonight's focus continues the discussion with a set of “strawman” packages for further feedback and guidance. This material is presented in three parts, as building blocks toward a complete discussion:

- 1) groupings of priority projects;
- 2) examples of revenue options (Councilmanic-only, voted-only, and combination of Councilmanic and voted) and
- 3) “strawman” scenarios of balanced projects and revenues.

### **BACKGROUND**

On March 24, 2014, Council held the first Budget Workshop regarding the operating and capital budgets in order to inform the City Manager's Preliminary 2015-2016 Budget and 2015-2021 Capital Investment Plan (CIP). The workshop included a discussion on how to approach the CIP for the upcoming budget and longer term. At that time, staff provided a list of potential capital projects collected from all departments, using a 20-year timeframe. The potential projects through 2035 totaled over \$1.2 billion, though staff acknowledged that the dollar figures had not been validated beyond the near term and the list was not complete. On May 12, staff provided a resorted list to reflect the broad categories that Council identified in the recent work on Council Priorities.

Additionally on May 12, staff provided an overview of the existing 2013-2019 CIP, reflecting how it is funded and what projects are included. Like the 2013-2019 CIP, the 2015-2021 CIP will be budget constrained. Requests for new projects and the effect of re-costing current projects to reflect inflation will greatly exceed the available resources.

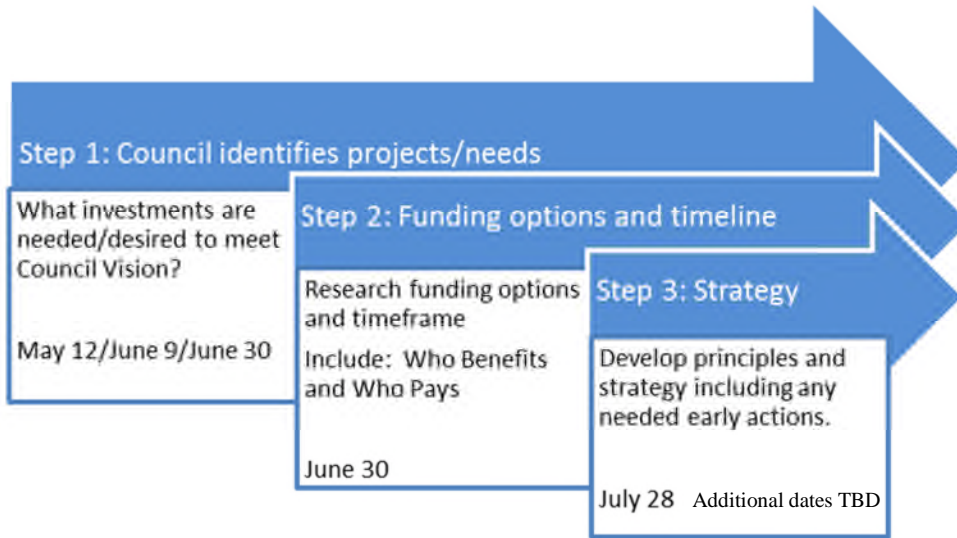
Staff also presented and Council endorsed a “roadmap” for a series of Council conversations on the City's longer term capital investment strategy (see Figure 1 below).





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Figure 1: “Roadmap” Endorsed from the May 12 Meeting (dates updated):



As discussed earlier, this conversation with Council is not a linear process; instead, it is intended to be an iterative process, where defining desired capital investments precedes the discussion on funding options. Subsequent selection of funding options may constrain what Council would ultimately be willing or able to buy. As the longer-term investment discussion continues, Council will likely circle back to the list of desired capital projects for refinement.

On June 9, Council reviewed a matrix associating the new Council Priorities with: a) projects currently funded within the existing 2013-2019 CIP; b) budget proposals for the 2015-2021 CIP; and c) potential sets of capital projects that go beyond the status quo CIP resources. The Council provided feedback on projects that Council may want to pursue beyond those likely to be funded through the status quo CIP. The discussion provided staff with a list of projects that might be included in a “beyond the status quo” capital investment strategy.

On June 30, Councilmembers provided staff with a completed “homework” assignment specifically noting their individual opinions as to whether specific projects are of High (H), Medium (M), or Low (L) urgency. Ranking a project as “medium” or “low” urgency does not mean that the project is not important; all projects on the list are worthy and valuable investments. Rather, the urgency rankings are intended to reflect the timing of delivery and help hone in on those projects that need to be implemented in the nearer term. Staff acknowledges that the urgency rankings are not Council consensus direction; they do, though, provide staff with a “starter” set of projects to continue the discussion. Attachment 3 provides the complete list of projects generated by Councilmembers on June 9, as sorted by the informal full Council polling exercise discussed on June 30.

Tonight’s materials take a step-by-step approach, starting by 1) re-visting project priorities and creating several logical project groupings at different scales, 2) then examining sets of funding options, and 3)



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presenting several "strawman" packages of projects attached to specific funding sets. These "strawman" packages are intended simply as examples of how packages could be assembled.

### **DISCUSSION TOPIC 1: PROJECT INCLUSION**

Per the discussion "Road Map," the first step in the process is to identify a list of priority projects that the Council may wish to consider funding. This has been the focus of several previous discussions. On June 30, staff proposed a set of project identification guiding principles that may assist Council in selecting a project list to move forward. These were met with some support but also some caveats, and are re-printed here for convenience.

#### Staff-Suggested Project Selection Principles (recap from June 30)

- The Base CIP with status quo resources will fund some capital investment needs, but resources are very limited; this financial strategy is needed to fund additional critical projects that will not be realized without additional revenues.
- The adopted 2014 Council Priorities provide the foundation for identification of key project needs in pursuit of the community vision. (See Council Priorities and Vision adopted on May 19.)
- Projects to be advanced in the near term are those that are both critically important and time dependent; i.e. projects that are critically needed now or, if implemented now, will catalyze other positive outcomes, or can be done at significantly less cost today than in the future.
- The set of projects should be balanced to provide a mix of benefits across the Council priority areas.

#### Effect of Base CIP Update

As noted above, this "beyond the status quo" discussion has been occurring in parallel with the regular two-year update of the Base CIP. The Council Priorities and June 9 project list have been key considerations in this base CIP prioritization work, and some limited progress can be made within base CIP resources. The CIP LT panel presents its recommendation for status quo resources to the Council under separate cover this evening. In that discussion, it will be noted that the following projects from the June 9 Council Priority list are recommended for funding within the next 7-year timeframe:

- East Link Complement – Partial funding of Spring Boulevard Zone 1 (\$22M)
- Hearing Assistance for three Public facilities (\$240k)
- Community Network Connectivity (first phase) (\$650k)
- Downtown Fire Station Land (\$7M)
- Some additional Park Acquisitions (\$8M).

#### "Beyond the Status Quo" Project Groupings

Staff has assembled below several project groupings, based on the priority projects identified by Council, the informal Council rankings from June 30, the above assumptions about what may be funded in the base CIP, and Council feedback about the potential for scaling the size and/or timing of several projects. The potential project sets range from \$50 million for the smallest scaled, highest urgency package to \$200+ million. Staff acknowledges that this is nothing more than a start and any project set is entirely the Council's choice.





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*Shaded projects are Transportation Benefit District-eligible (shown to note restrictions on use of those funds)*

*Italic Font shows Phased project options where applicable*

*Caveats: All project costs are estimated at this time; very few have full design completed and, therefore, the project cost is based on best information available without full design work. All costs are rough estimated and could materially change.*

**Reader's Guide:**

- Projects are categorized in the right-hand column by Council Urgency; for instance, Package 1 has those projects where 5+ out of 7 Councilmembers noted them as high urgency.
- Columns A, B and C note project scaling options, with the smallest option in column A growing to larger options by Column C.

| <b>Augmented Package 1 (5+/7 Councilmembers rated Urgent):</b>  |                |            |            |  |
|---|----------------|------------|------------|--|
| <b>Project</b>  | <b>Scaling</b> |            |            | <b>Council Priority Theme</b>              |
|   | <b>"A"</b>     | <b>"B"</b> | <b>"C"</b> |  |
| 124th Ave NE--12 <sup>th</sup> to Spring Blvd – Full Implementation   | 12             | 12         | 12         | <i>Transp &amp; Mobility</i>               |
| Spring Blvd --116 <sup>th</sup> to 120 <sup>th</sup> (unfunded full implementation piece after CIP LT 2015-2021 CIP Rec.) | 8              | 8          | 8          | <i>Transp &amp; Mobility</i>               |
| Spring Blvd --130 <sup>th</sup> to 132 <sup>nd</sup> -- Implementation of West Bound only                                 | 3              | 3          | 3          | <i>Transp &amp; Mobility</i>               |
| Newport Way – Somerset to 150 <sup>th</sup> (Ped/Bike)  | 7              | 11         | 11         | <i>High Quality Built and Natl. Env.</i>   |
| Downtown Transportation Plan – Access Improvements for Downtown Light Rail  | 5              | 5          | 5          | <i>Transp &amp; Mobility</i>               |
| Community Connectivity (remaining piece after CIP LT 2015-2021 recommendation)  | 2.35           | 2.35       | 2.35       | <i>High Quality Built and Natl. Env.</i>   |
| Fire Facility Plan--Station 5 Rebuild   | 12             | 12         | 12         | <i>High Performance Govt/Public Safety</i> |
|   | 49.35          | 53.35      | 53.35      |  |

| <b>Augmented Package 2 (4/7 Councilmembers rated Urgent):</b>   |       |        |        |   |
|---|-------|--------|--------|---|
| Add to Package 1 – Start with total from above:                 | 49.35 | 53.35  | 53.35  |   |
| Bellevue Way HOV (300ft vs full implementation)                 | 5     | 5      | 21     | <i>Transp &amp; Mobility</i>              |
| Downtown Transportation Plan (scaled up from Package 1)         | 10    | 12     | 28     | <i>Transp &amp; Mobility</i>              |
| Complete Meydenbauer Bay Park                                   | 12    | 25     | 32     | <i>High Quality Built and Natl. Env.</i>  |
| Grand Connection Meydenbauer to Wilburton—Planning/Early Design | 0     | 5      | 5      | <i>Great Places</i>                       |
| NEP 2.0 (\$1.5M/year)   | 10.5  | 15     | 15     | <i>Achieving Human Potential--N'hoods</i> |
| <i>Subtotal</i>   | 37.5  | 62     | 101    |   |
| <i>Aggregate</i>  | 86.85 | 115.35 | 154.35 |   |



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| <b>Augmented Package 3 (3/7 Councilmembers rated Urgent) *See Note below for Performing Arts Eastside</b> |        |        |        |  |
|---|--------|--------|--------|--|
| Add to Package 2 – Start with total from above:   | 86.85  | 115.35 | 154.35 |  |
| West Lake Sammamish Phase 2   | 10     | 10     | 10     | <i>High Quality Built and Natl. Env.</i>   |
| Bel-Red Mobility Improvements- Eastbound NE Spring Blvd 130 <sup>th</sup> to 132 <sup>nd</sup> Ave        | 13.5   | 13.5   | 13.5   | <i>Transp &amp; Mobility</i>               |
| Fire Facility Plan--Training Center Expansion   | 17     | 17     | 17     | <i>High Performance Govt/Public Safety</i> |
| <i>Subtotal</i>   | 40.5   | 40.5   | 40.5   |  |
| <i>Aggregate</i>  | 127.35 | 155.85 | 194.85 |  |

| <b>Augmented Package 4 (on Council list -- 1 or 2 Councilmembers rated Urgent)</b>      |        |        |        |  |
|---|--------|--------|--------|--|
| Add to Package 3 – Start with total from above:   | 127.35 | 155.85 | 194.85 |  |
| NE Spring Blvd Zone 2 – 120 <sup>th</sup> to 124 <sup>th</sup> NE --Full Implementation | 12     | 12     | 12     | <i>Transp &amp; Mobility</i>               |
| Downtown Livability   | 5      | 10     | 15     |  |
| SE 16 <sup>th</sup> – 148 <sup>th</sup> to 156 <sup>th</sup> SE --Full Implementation   | 3      | 3      | 3      | <i>Transp &amp; Mobility</i>               |
| Revolving energy fund   | 0.25   | 0.25   | 0.25   | <i>High Performance Govt/Public Safety</i> |
| <i>Subtotal</i>   | 20.25  | 25.25  | 30.25  |  |
| <i>Aggregate</i>  | 147.6  | 181.1  | 225.1  |  |

**Important Notes:**

- 1) Tateuchi Center: In May 2014 the City signed a memorandum of understanding with Performing Arts Eastside (PACE) to pursue exploration of public funding options for the proposed Tateuchi Center, among other actions. That work is ongoing and the team will report back to the City Council this fall. This table does not include a placeholder for a Tateuchi Center contribution, pending this later report/recommendation.
- 2) Affordable Housing: This item was identified by a Councilmember on June 9. Bellevue’s support for affordable housing and the ARCH Triust Fund has historically flowed through the operating budget as opposed to the CIP, as these are not facilities built by the City itself. Therefore no capital dollars are included in the above table.

**Feedback Requested:** The above set of projects has resulted from a series of Council discussions over recent months. Staff has simply combined these into what we believe are logical groupings, at a variety of scales. Not all of these projects are likely to be funded even in an enhanced revenue scenario, but this list does help focus the discussion of project priorities.

Staff are looking for feedback on the following:

- Is this the right list of projects for further discussion?
- Are key projects missing?
- Are scaling options adequately addressed?



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### **DISCUSSION TOPIC 2: FUNDING OPTIONS**

On June 30, Council also reviewed a set of Guiding Principles for a Funding Strategy. The following guiding principles were presented by staff as a starting place to obtain Council direction. They are additive to the existing CIP Financial Policies; e.g. the existing policy of maintaining existing infrastructure before building new.

#### **Draft Capital Investment Strategy Guiding Principles (recap from June 30):**

- The cost for projects should be broadly distributed to those who will benefit from the improvements, through a combination of funding tools.
- Significant public engagement should be conducted around both a shorter-term and longer-term capital investment approach.
- The financial strategy should maintain the City’s long-term financial stability and preserve the City’s outstanding bond rating.
- The financial strategy should acknowledge that status quo CIP revenues will address some key capital projects, but they are insufficient to address a large and daunting set of identified community needs:
  - Some funding options may be taken by the Council under its own auspices. Addressing some critical needs in the near term will maintain and enhance community quality of life, advance economic development, and avoid higher costs in the future.
  - Depending on the needs identified, it may be appropriate to ask the voters for additional funding approval to implement high priority capital projects that cannot otherwise be delivered.

Included in this workshop book under tab 6 is a high-level list of Councilmanic and voted revenue options providing a rough estimate of their potential yield -- both annual and bonded -- and of available Councilmanic and voted debt capacity. In choosing any financing plan, a discussion of who benefits from the projects and the connection to who pays is an important element of information. The table below classifies each revenue option by who pays. As an example, Existing Residential would pay for funding plans that include property tax, utility taxes, Transportation Benefit District options, etc., whereas Developers/Growth may be impacted by property taxes, LIDs, and Impact Fees.

| Existing Residential            | Existing Business           | Developers/ Growth                        | Regional/Other         |
|---------------------------------|-----------------------------|---|------------------------|
| Property Tax                    |                             |   |                        |
| Sales Tax                       |                             |   |                        |
|                                 | B&O Taxes                   |   |                        |
| Utility Taxes                   |                             |   |                        |
|                                 |                             | Impact Fees (Fire, Transportation, Parks) |                        |
|                                 | Local Improvement Districts |   |                        |
|                                 |                             |   |                        |
| Transportation Benefit District |                             |   |                        |
| Parking Tax                     |                             |   |                        |
|                                 |                             |   | Grants                 |
|                                 |                             |   | Interlocal Agreements  |
|                                 |                             |   | Partnerships/Donations |



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For discussion purposes, staff has sorted the various options to meet a series of funding needs into a range of packages from \$50 million to \$180 million, broken out by Councilmanic action, voted action, and a combination of Councilmanic and voted action. In each case, various options are provided for reaching a given funding amount.

The examples shown below provide relative order of magnitude of various tangible revenue options; the possible options are many. Options are subject to collection limits; e.g. total banked Councilmanic property tax capacity is \$9.4M/yr or approximately 26 cents. To the extent proceeds are bonded, they are also subject to debt capacity limitations set by Council policy and state statute.

### Councilmanic Only: Example Options

|                             | <b>\$50M<br/>menu</b>                  | <b>\$85M<br/>menu</b>                  | <b>Who Pays</b>                              |
|-----------------------------|--|--|--|
| Property tax options:       | 5cents = \$1.8M/yr =<br>~\$25M bonded  | 10cents = \$3.6M/yr =<br>~\$50M bonded | <i>Existing business/residential, growth</i> |
|                             | 10cents = \$3.6M/yr =<br>~\$50M bonded | 15cents = \$5.4M/yr =<br>~\$75M bonded |  |
| TBD<br>(\$20/vehicle)       | \$1.8 - 2M/yr =<br>~\$25M bonded       | \$1.8 - 2M/yr =<br>~\$25M bonded       | <i>Existing business/residential</i>         |
| Parks or Fire<br>impact fee | ---                                    | TBD                                    | <i>Growth</i>                                |
| LID--Bel-Red                | ---                                    | Assume ~\$3-5M                         | <i>Growth</i>                                |

Another series of options would be those that are available under public vote.

### Voted Only: Example Options

Note: the examples shown below are to give realative order of magnitude; the possible options are many.

|                                | <b>\$50M<br/>menu</b>   | <b>\$100M - \$125M<br/>menu</b>                | <b>Who Pays</b>                               |
|--------------------------------|---|--|---|
| Property tax<br>voted options: | 10cents = \$3.6M/yr =<br>~\$50M bonded                                | 20cents = \$7.2M/yr =<br>~\$100M bonded        | <i>Existing business/residential, growth</i>  |
| TBD – voted<br>(\$40/vehicle)  | \$3.6 - 4M/yr = ~\$50M<br>bonded                                      | ---  | <i>Existing business/residential</i>          |
| TBD – voted<br>(\$100/vehicle) | ---   | \$9 - 10M/yr =<br>~\$125M bonded               | <i>Existing business/residential</i>          |
| TBD – voted<br>(sales tax)     | 0.05% increase =<br>~\$3M/yr or slightly<br>less than \$50M<br>bonded | 0.1% increase =<br>\$6M/yr or ~\$90M<br>bonded | <i>Existing business/residential/visitors</i> |

Lastly, a series of options could be a combination of Councilmanic and Voted.



# Preliminary Budget – Reprint of 10/6/14 Materials

## Bellevue’s Capital Investment Strategy Overview Memo

Reprint from July 28, 2014

### **Cominbation of Councilmanic and Voted: Example Options**

Note: the examples shown below are to give realative order of magnitude, the possible options are many.

|   | <b>\$100M-120M<br/>menu</b>   | <b>\$150M-\$180M<br/>menu</b>                  | <b>Who Pays</b>                               |
|---|---|--|---|
| Property tax<br>Councilmanic<br>or voted: | 10cents = \$3.6M/yr=<br>~\$50M bonded                                 | 20cents = \$7.2M/yr =<br>~\$100M bonded        | <i>Existing business/residential, growth</i>  |
| LID--Bel-Red<br>(Councilmanic)            | ---   | Assume ~\$3 - 5M                               | <i>Growth</i>                                 |
| TBD –<br>Councilmanic<br>(\$20/vehicle)   | \$1.8 - 2M/yr =<br>~\$25M bonded                                      | \$1.8 - 2M/yr =<br>~\$25M bonded               | <i>Existing business/residential</i>          |
| TBD – voted<br>(\$40/vehicle)             | \$3.6 - 4M/yr =<br>~\$50M bonded                                      | ---  | <i>Existing business/residential</i>          |
| TBD – voted<br>(\$100/vehicle)            | ---   | \$9 - 10M/yr =<br>~\$125M bonded               | <i>Existing business/residential</i>          |
| TBD – voted<br>(sales tax)                | 0.05% increase =<br>~\$3M/yr or slightly<br>less than \$50M<br>bonded | 0.1% increase =<br>\$6M/yr or ~\$90M<br>bonded | <i>Existing business/residential/visitors</i> |

**Feedback Requested:** The above tables present different revenue approaches to cover various sizes of project packages. A full funding package might be fleshed out with additional revenue sources, and may reflect the mix of beneficiaries from the adopted project list. This is a building block in the process, and staff seeks Council feedback on whether additional work on these funding examples would be helpful at this time.

### **DISCUSSION TOPIC 3: “STRAWMAN” PROJECT/REVENUE PROPOSALS**

Per the Council discussion on June 30, staff has been asked to present some “strawman” proposals for the “beyond the status quo” CIP. Work to date has been building to this point, and these proposals are heavily guided by the Council’s recently adopted priorities and discussion of specific critical capital projects that remain unfunded under the recommended base 2015-2021 CIP. This started with a review of unfunded projects totaling \$1.2 billion over the next 20 years, as contrasted with anticipated \$400 million in revenues available for discrete projects over that same timeframe.

The packages provided in Attachment 1 are, indeed, “strawman” proposals. They are staff’s attempt to present examples of combining the building blocks presented in Part 1 (priority projects) and Part 2 (revenue scenarios) above. They are merely examples of how various packages of projects and revenues could be combined. It is important to note that, at this time, these “strawman” proposals have not been



## Preliminary Budget – Reprint of 10/6/14 Materials Bellevue’s Capital Investment Strategy Overview Memo Reprint from July 28, 2014

discussed by or endorsed by the City Council; they are staff’s work alone and are intended to promote the next step in this ongoing discussion.

Consistent with the organization above, the “strawman” proposals fall into three categories: Councilmanic action only, Voted action only, and a combination of the two.

**Feedback Requested:** These “strawman” packages are intended as examples of possible project/revenue packages that meet critical capital needs that cannot be covered in the status quo CIP. Staff is seeking Council feedback on whether any of these “strawman” packages bear further refinement, or direction on assembling some alternative potential packages.

### **NEXT STEPS**

Based on Council feedback tonight, staff will return with additional development and refinement of potential project packages that the Council would like to consider or pursue further.

### **Attachments:**

1. “Strawman” project/revenue packages
2. Revenue matrix of possible funding options showing “who pays”
3. Councilmember-identified list from the June 9 discussion
4. List of unfunded capital projects (re-printed from March 2014)





# Preliminary Budget – Reprint of 10/6/14 Materials

## Attachment B: July 28 “Strawman” - Reprinted

### “Strawman” Capital Packages

#### EXAMPLE PROJECT/REVENUE “STRAWMAN” PACKAGES

*These “strawman” packages are intended to be illustrative. They are staff’s work, and have not been reviewed or endorsed by the City Council.*

#### A. Councilmanic-Only Packages—“Urgent Needs”

These are a suite of urgent projects that can not be accomplished with baseline CIP resources. They can be approved by Council action to address significant community needs and help realize opportunities that may otherwise be lost.

#### Expenditures:

| <b>Package A1</b>   | <b>\$M</b>  |
|---|-------------|
| 124 <sup>th</sup> Avenue NE—12 <sup>th</sup> to 15 <sup>th</sup>  | 12          |
| Spring Boulevard Zone 1 (remainder after base CIP)                | 8           |
| Spring Boulevard—130 <sup>th</sup> to 132 <sup>nd</sup> westbound | 3           |
| Newport Way (one side)  | 7           |
| Community Connectivity (remainder after base CIP)                 | 2.5         |
| Fire Facility Plan—Station 5 rebuild                              | 12          |
| Enhanced access to Downtown light rail station                    | 5           |
|   | <b>49.5</b> |

| <b>Package A2</b>   | <b>\$M</b> |
|---|------------|
| All the projects in A1, plus the following:                                   | 49.5       |
| Bellevue Way HOV (300’ queue jump only)                                       | 5          |
| Downtown Transportation Plan  | 10         |
| Meydenbauer Bay Park Phase 2  | 12         |
| Grand Connection Meydenbauer Bay to Wilburton—design and early implementation | 5          |
| NEP 2.0   | 10.5       |
|   | <b>92</b>  |

#### Revenues:

#### Potential Funding for Councilmanic Package A1

|   |                          |
|---|--------------------------|
| Property tax @ 10 cents = \$3.6M/yr = ~\$50M bonded | <b>\$50M<br/>revenue</b> |
|---|--------------------------|

#### Potential Funding for Councilmanic Package A2

|  |                          |
|--|--------------------------|
| Property tax @ 13 cents = \$4.7M/yr = ~\$65M bonded          | 65                       |
| TBD vehicle tax @ \$20/vehicle - \$1.8-2M/yr = ~\$25M bonded | 25                       |
| Grants   | 2                        |
|  | <b>\$92M<br/>revenue</b> |



# Preliminary Budget – Reprint of 10/6/14 Materials

## Attachment B: July 28 “Strawman” - Reprinted

### “Strawman” Capital Packages

#### EXAMPLE PROJECT/REVENUE “STRAWMAN” PACKAGES (cont.)

*These “strawman” packages are intended to be illustrative. They are staff’s work, and have not been reviewed or endorsed by the City Council.*

#### B. Voted-Only Packages

These are critical capital projects that meet community needs and would need to have broad community support. Each voted package presented below has a distinct focus, though it may be possible to combine some of these concepts into a cross-cutting, multi-functional measure. These options assume no Councilmanic package. (See “C” for Combination Councilmanic/voted package scenarios.) Much more work would be needed to take these concepts forward into a measure ready for voter consideration.

#### Expenditures:

|                                     |            |
|-------------------------------------|------------|
| <b>Package B1—“Fire Facilities”</b> | <b>\$M</b> |
| Full Fire Facilities Plan           | <b>130</b> |

|   |            |
|---|------------|
| <b>Package B2—“Parks and Culture”</b>             |            |
| Meydenbauer Bay Park                              | 25         |
| Grand Connection—Phase 1 rough order of magnitude | 25         |
| Other key parks and cultural resources            | 50         |
|   | <b>100</b> |

|   |           |
|---|-----------|
| <b>Package B3—“Transportation and Neighborhoods”</b>              |           |
| 124 <sup>th</sup> Avenue NE—12 <sup>th</sup> to 15 <sup>th</sup>  | 12        |
| Spring Boulevard Zone 1 (remainder after base CIP)                | 8         |
| Spring Boulevard—130 <sup>th</sup> to 132 <sup>nd</sup> westbound | 3         |
| Newport Way (full implementation)                                 | 11        |
| Enhanced access to Downtown light rail station                    | 5         |
| Bellevue Way HOV (300’ queue jump)                                | 5         |
| Downtown Transportation Plan                                      | 20        |
| West Lake Sammamish—Phases 2 and 3                                | 20        |
| Council TBD—e.g. neighborhood sidewalks                           | 10        |
|   | <b>94</b> |

#### Revenues:

|  |                |
|--|----------------|
| <b>Potential Funding for Voted Package B1</b>            |                |
| Voted property tax @ 26 cents = 9.4M/yr = ~\$130M bonded | <b>\$130M</b>  |
|  | <b>revenue</b> |

|  |                |
|--|----------------|
| <b>Potential Funding for Voted Package B2</b>              |                |
| Voted property tax @ 20 cents = \$7.2M/yr = ~\$100M bonded | <b>\$100M</b>  |
|  | <b>revenue</b> |

|  |                |
|--|----------------|
| <b>Potential Funding for Voted Package B3</b>                |                |
| Voted TBD vehicle tax @ \$75/vehicle = ~\$94M bonded         |                |
| Or Voted property tax @ 19 cents = \$6.8M/yr = ~\$95M bonded | <b>\$94M</b>   |
|  | <b>revenue</b> |



## Preliminary Budget – Reprint of 10/6/14 Materials Attachment B: July 28 “Strawman” - Reprinted

### “Strawman” Capital Packages

#### EXAMPLE PROJECT/REVENUE “STRAWMAN” PACKAGES (cont.)

*These “strawman” packages are intended to be illustrative. They are staff’s work, and have not been reviewed or endorsed by the City Council.*

#### C. Combination Councilmanic and Voted

Under these scenarios, the Council would act on some critical capital needs under its own Councilmanic authority, and follow this at a future date with a measure to be considered by the voters. See comments regarding voter measures above.

#### Expenditures:

#### Package C1—Combination of A1 Councilmanic “Urgent Needs” (modified) plus B1 Voted “Fire Facilities”

| Councilmanic Package A1   | \$M           |
|---|---------------|
| 124 <sup>th</sup> Avenue NE—12 <sup>th</sup> to 15 <sup>th</sup>  | 12            |
| Spring Boulevard Zone 1 (remainder after base CIP)                | 8             |
| Spring Boulevard—130 <sup>th</sup> to 132 <sup>nd</sup> westbound | 3             |
| Newport Way (one side)  | 7             |
| Community Connectivity (remainder after base CIP)                 | 2.5           |
| <del>Fire Facility Plan—Station 5 Rebuild</del>                   | <del>12</del> |
| Council TBD (Add to Pkg. A1)                                      | 12.5          |
| Enhanced access to Downtown light rail station                    | 5             |
|   | <u>50</u>     |
| <b><u>PLUS</u></b>  |               |
| <b>Voted Package B1 “Fire Facilities”</b>                         | <b>130</b>    |

---

#### Revenues—same as:

#### Potential Funding for Councilmanic Package A1

|   |                |
|---|----------------|
| Property tax @ 10 cents = \$3.6M/yr = ~\$50M bonded | <b>\$50M</b>   |
|   | <b>revenue</b> |

**PLUS**

#### Potential Funding for Voted Package B1

|  |                |
|--|----------------|
| Voted property tax @ 26 cents = \$9.4M/yr = ~\$130M bonded | <b>\$130M</b>  |
|  | <b>revenue</b> |



## Preliminary Budget – Reprint of 10/6/14 Materials Attachment B: July 28 “Strawman” - Reprinted

### “Strawman” Capital Packages

#### EXAMPLE PROJECT/REVENUE “STRAWMAN” PACKAGES (cont.)

*These “strawman” packages are intended to be illustrative. They are staff’s work, and have not been reviewed or endorsed by the City Council.*

#### C. Combination Councilmanic and Voted (cont.)

##### Expenditures:

##### Package C2—Combination of A1 Councilmanic “Urgent Needs” plus B2 Voted “Parks and Culture”

| Councilmanic Package A1   | \$M         |
|---|-------------|
| 124 <sup>th</sup> Avenue NE—12 <sup>th</sup> to 15 <sup>th</sup>  | 12          |
| Spring Boulevard Zone 1 (remainder after base CIP)                | 8           |
| Spring Boulevard—130 <sup>th</sup> to 132 <sup>nd</sup> westbound | 3           |
| Newport Way (one side)  | 7           |
| Community Connectivity (remainder after base CIP)                 | 2.5         |
| Fire Facility Plan—Station 5 rebuild                              | 12          |
| Enhanced access to Downtown light rail station                    | 5           |
|   | <b>49.5</b> |

#### PLUS

##### Voted Package B2 “Parks and Culture”

Meydenbauer Bay Park  
Grand Connection—Phase 1 rough order of magnitude  
Other key parks and cultural resources

---

##### Revenues—same as:

##### Potential Funding for Councilmanic Package A1

|   |                          |
|---|--------------------------|
| Property tax @ 10 cents = \$3.6M/yr = ~\$50M bonded | <b>\$50M<br/>revenue</b> |
|---|--------------------------|

#### PLUS

##### Potential Funding for Voted Package B2

|  |                           |
|--|---------------------------|
| Voted property tax @ 20 cents = \$7.2M/yr = ~\$100M bonded | <b>\$100M<br/>revenue</b> |
|--|---------------------------|

**Preliminary Budget – Reprint of 10/6/14 Materials**  
**Attachment A: June 30**  
**Councilmember Identified List from the June 9 Discussion**

At the June 9 Council meeting, the Council continued the discussion regarding the City’s capital investment strategy with Council flagging specific projects.

The table below contains the list of projects that one or more Councilmembers identified during that discussion. It is not prioritized, but is simply sorted by Council priority areas.

| <b>Council<br/>Priority Area</b> | <b>Project</b>   | <b>Brief Description</b>   |
|----------------------------------|--|--|
| Transportation<br>and Mobility   | East Link Complement (noted as a whole). Individual project components called out on Attachment A are:<br>124 <sup>th</sup> AVE NE – NE 12 <sup>th</sup> Street to Spring Blvd (Full Implementation) (\$12M) | Widens 124 <sup>th</sup> and is a Sound Transit Partnership; includes multi-purpose path on corridor with access to 120 <sup>th</sup> station.                     |
|                                  | NE Spring Blvd – 116th to 120th Ave NE (Zone 1) (Full Implementation) (\$28M)  | Full design and construction of a new arterial; much more costly if built after light rail   |
|                                  | NE Spring Blvd – 130th to 132nd Ave NE (Implementation of West Bound Lane) (\$3M)  | Final design and construction coordination with ST.  |
| Transportation<br>and Mobility   | West Lake Sammamish (completion of all phases under current design = \$36M; some Council interest in doing partial project or re-design for lesser cost)   | Implementing remaining phases of West Lake Sammamish Parkway   |
| Transportation<br>and Mobility   | NE Spring Blvd, Zone 2 – 120th to 124th Ave NE (Full Implementation) (\$14M)   | Full design and construction of new arterial between 120 <sup>th</sup> and 124 <sup>th</sup> (middle of Spring District).  |
| Transportation<br>and Mobility   | Bellevue Way SE HOV Lane – 112th Ave SE “Y” to I-90 (300 ft estimated at \$5M)   | Design plans and implementation of an inside HOV lane and outside sidewalk/shoulder on south bound Bellevue Way  |
| Transportation<br>and Mobility   | Newport Way – Somerset Blvd to 150 <sup>th</sup> (Design) (\$1M); Full Implementation (\$10M); some Council interest in doing partial project at lower cost.   | Design includes community engagement for development of pedestrian and bike improvements.. Final implementation cost to be determined based on design and phasing. |
| Transportation<br>and Mobility   | SE 16 <sup>th</sup> St – 148 <sup>th</sup> to 156 <sup>th</sup> Ave SE (Full Implementation) (\$3M)  | Design and construction of bike lanes and separated sidewalk; missing piece of Lake-to-Lake.   |

**Attachment A: June 30  
Councilmember Identified List from the June 9 Discussion**

| <b>Council<br/>Priority Area</b> | <b>Project</b>   | <b>Brief Description</b>  |
|----------------------------------|--|---|
| Transportation and Mobility      | Downtown Transportation Plan Implementation (\$28M) (including access improvements for Downtown Light Rail)                              | Implementation of the new Downtown Transportation Plan, set for adoption in near term   |
| Transportation and Mobility      | NE 6 <sup>th</sup> St Extension (\$30M)  | Potential local contribution to State led project, extend NE 6 <sup>th</sup> Street from the I-405 HOV interchange to 120 <sup>th</sup> to accommodate multiple uses. |
| Transportation and Mobility      | Bel-Red mobility improvements (\$12M)  | Infrastructure to support growth in the Bel Red area.   |
| High Quality Built Environment   | Downtown Livability (\$TBD)  | Implements the Downtown Livability Initiative   |
| High Quality Built Environment   | Completion of Meydenbauer Bay Park(\$32M)  | Full build out of the Meydenbauer water front park  |
| High Quality Built Environment   | Community connectivity (broadband) (\$3M)  | Continues replacement of fiber network and expansion of public Wi-Fi; helps implement larger broadband strategy   |
| High Quality Built Environment   | Add by Councilmember on June 9: Affordable Housing   | Historically, affordable housing is addressed through the operating fund with partnership with ARCH.  |
| Great Places                     | Planning and early implementation of the Grand Connection between Meydenbauer Park and Wilburton/BNSF(\$5M); Full Implementation (\$TBD) | Design and implementation of a linear park from Meydenbauer to the Wilburton Special Opportunity District and BNSF future trail corridor                              |
| Great Places                     | Placeholder for potential contribution to Tateuchi Center (\$TBD); interest in other cultural facilities noted without specific projects | Funding to leverage broader performing arts center campaign   |
| Achieving Human Potential        | NEP 2.0 – Neighborhood Enhancement Program (\$1.5M annually)   | New Neighborhood Enhancement Program; assumes previous level of funding of \$1.5M annually  |
| High Performance Government      | Hearing Assistance for Public Spaces (\$0.2M)  | Provide hearing accessibility within the public meeting areas in the City   |
| High Performance Government      | Add by Council member on June 9: Revolving Energy Fund (\$250K)  | Initial capital funding for energy conservation efforts in City facilities, which in turn would provide additional investments through future savings                 |



**Attachment A: June 30  
Councilmember Identified List from the June 9 Discussion**

| <b>Council<br/>Priority Area</b>     | <b>Project</b>   | <b>Brief Description</b>   |
|--------------------------------------|--|--|
| Other Priority<br>Areas<br>Mentioned | Fire Long Range Facility Plan (up to \$47M proposed in the 2015-2021 CIP) – broken into three pieces:        | Council briefing on Fire Facilities Plan set for June 30, and will provide additional context.   |
|                                      | Station 5: Rebuild (\$12M):  | Station 5: Station is 47 years old; its age and life safety issues with un-reinforced masonry construction combined with a small site place it on the priority list for replacement.   |
|                                      | Downtown Fire Station: Land (\$14M):   | Downtown Fire Station: Secure land for construction of new Downtown Station in order to position the City to maintain the current level of service and response to growing population and density.                                     |
|                                      | Training Center: Expansion (\$20M):  | Acquire adjacent parcel of land, construct new training center and warehouse building to address growing training needs for the City and ILA agencies, and consolidate special projects currently located throughout all the stations. |
|                                      | Staff is developing a phasing recommendation on other long-term Fire Facilities needs included in the study. |  |

Included in the existing 2013-2019 CIP:

|              |  |
|--------------|--|
| Great Places | Complete Circle Downtown Park and Phase I Meydenbauer Park |
|--------------|--|

Preliminary Budget – Reprint of 10/6/14 MaterialsPOTENTIAL CAPITAL REVENUE OPTIONS

| Potential Revenues                           | Councilmanic Options  | Voter Options  | Who pays                              |
|--|---|--|---------------------------------------|
| Property Tax                                 | 1c = \$360k/yr = \$5M bonded. 27c banked capacity (\$135M bonded) available                 | 1c = \$360k/yr = \$5M bonded; many increments possible                     | Existing business/residential, growth |
| Transportation Benefit District--vehicle tax | \$20/vehicle = \$1.8-2M/yr = \$25M bonded   | up to \$100/vehicle = \$9-10M/yr = \$125M bonded; many increments possible | Existing business/residential         |
| Transportation Benefit District--sales tax   | N/A   | up to 0.1% increase = \$6M/yr = \$90M bonded; many increments possible     |                                       |
| Utility Taxes                                | If all available taxes increase by 0.5% = \$1.9M annually = \$25M bonded                    | N/A  | Existing business/residential         |
| B&O Tax                                      | remaining capacity - .0504% = \$9.3M = \$120M bonded.                                       | N/A  | Existing business                     |
| Sales Tax                                    | City is currently levying the maximum optional sales tax.                                   | N/A  | Existing business/residential         |
| Parking Tax                                  | May be levied on a per stall, per vehicle, or a gross receipts basis.                       | N/A  | Existing business/residential         |
| Impact Fees                                  | Based on facilities needed to address growth--state allows for transp, schools, parks, fire | N/A  | Growth                                |
| Local Improvement District                   | Based on "special benefit" of infrastructure  | N/A  | Growth, existing business             |
| Grants, Partnerships, Donations              | Exact amounts can not be determined   | N/A  | Regional/Other                        |

*\*Important Note: All available bonded estimates subject to debt capacity restrictions.*

DEBT CAPACITY

|                                 | % of Assessed Value   |                    |                        |
|---------------------------------|-----------------------|--------------------|------------------------|
| Type of Debt                    | Statutory Limitations | Policy Limitations | Policy Limit Available |
| General Purpose:                | 2.5%                  | 1.75% (\$631M)     | 1.14% (\$409M)         |
| Non-Voted<br>(Councilmanic)     | 1.5%                  | 1.00% (\$360M)     | 0.39% (\$139M)         |
| Voted                           | 1.0%                  | 0.75% (\$270M)     | 0.75% (\$270M)         |
| Parks and Open<br>Space - Voted | 2.5%                  | 1.75% (\$631M)     | 1.75% (\$631M)         |
| Utilities – Voted               | 2.5%                  | 1.75% (\$631M)     | 1.75% (\$631M)         |
| Revenue                         | No Limit              | No Limit           | No Limit               |
| Local Improvement<br>District   | No Limit              | No Limit           | No Limit               |

# Property Tax Levies Impacting Bellevue

October 27, 2014

|                     | King County       | Bellevue         | Bellevue as Percentage of KC |
|---------------------|-------------------|------------------|------------------------------|
| 2014 Assessed Value | \$340,643,616,343 | \$36,150,276,635 | 11%                          |
| 2014 Population*    | 2,044,449         | 134,400          | 7%                           |

\*King County population shown is for 2013

| STATE PROPERTY TAX LEVIES     | LEVY RATE (\$/1000 AV) | TOTAL RAISED (2014) | AMOUNT RAISED FROM BELLEVUE (2014) | PROPERTY TAX FOR \$500,000 HOUSE |
|-------------------------------|------------------------|---------------------|------------------------------------|----------------------------------|
| Washington State Schools Levy | 2.47044                |                     | \$89,310,000                       | \$1,235                          |

| KING COUNTY SPECIAL DISTRICT AND GENERAL PROPERTY TAX LEVIES    | LEVY RATE (\$/1000 AV) | TOTAL RAISED (2014)  | AMOUNT RAISED FROM BELLEVUE (2014) | PROPERTY TAX FOR \$500,000 HOUSE |
|---|------------------------|----------------------|------------------------------------|----------------------------------|
| KC Property Tax Levy  | 0.94477                | \$321,830,000        | \$34,150,000                       | \$472                            |
| KC Veterans Relief  | 0.00798                | \$2,720,000          | \$290,000                          | \$4                              |
| KC Mental Health  | 0.01790                | \$6,100,000          | \$650,000                          | \$9                              |
| KC Intercounty River Improvement                                | 0.00015                | \$50,000             | \$10,000                           | \$0                              |
| AFIS (Voted November 2012)                                      | 0.05588                | \$19,040,000         | \$2,020,000                        | \$28                             |
| KC Parks Levies M & O and Expansion (Voted 2013)                | 0.18770                | \$63,940,000         | \$6,790,000                        | \$94                             |
| KC Veteran's and Human Services Levy (Voted 2012, renewal 2017) | 0.04948                | \$16,860,000         | \$1,790,000                        | \$25                             |
| KC Children & Family Justice (Voted August 2012)                | 0.06597                | \$22,470,000         | \$2,380,000                        | \$33                             |
| KC Transportation Levy  | 0.07500                | \$25,550,000         | \$2,710,000                        | \$38                             |
| KC Conservation Futures   | 0.02530                | \$8,620,000          | \$910,000                          | \$13                             |
| KC Conservation Futures CIP                                     | 0.02766                | \$9,420,000          | \$1,000,000                        | \$14                             |
| KC Bonds (voted)  | 0.05826                | \$19,850,000         | \$2,110,000                        | \$29                             |
| <b>TOTAL KC PROPERTY TAX LEVIES</b>                             | <b>1.52</b>            | <b>\$516,450,000</b> | <b>\$54,810,000</b>                | <b>\$758</b>                     |

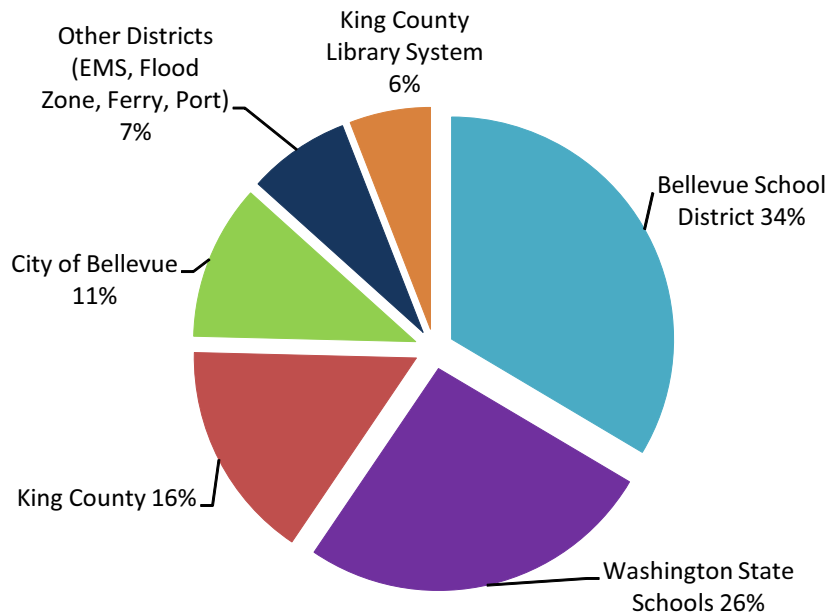
| OTHER DISTRICTS LEVYING TAXES IN BELLEVUE   | LEVY RATE (\$/1000 AV) | TOTAL RAISED (2014)  | AMOUNT RAISED FROM BELLEVUE (2014) | PROPERTY TAX FOR \$500,000 HOUSE |
|---|------------------------|----------------------|------------------------------------|----------------------------------|
| Flood Control District                      | 0.15369                | \$52,350,000         | \$5,560,000                        | \$77                             |
| Ferry District                              | 0.00349                | \$1,190,000          | \$130,000                          | \$2                              |
| EMS Levy                                    | 0.33500                | \$114,120,000        | \$12,110,000                       | \$168                            |
| Port of Seattle General Fund                | 0.05646                | \$19,230,000         | \$2,040,000                        | \$28                             |
| Port of Seattle Bonds (not voted)           | 0.15887                | \$54,120,000         | \$5,740,000                        | \$79                             |
| <b>TOTAL OTHER DIST PROPERTY TAX LEVIES</b> | <b>0.71</b>            | <b>\$241,010,000</b> | <b>\$25,580,000</b>                | <b>353.76</b>                    |

| LOCAL DISTRICTS LEVYING TAXES IN BELLEVUE | LEVY RATE (\$/1000 AV) | TOTAL RAISED (2014)  | AMOUNT RAISED FROM BELLEVUE (2014) | PROPERTY TAX FOR \$500,000 HOUSE |
|---|------------------------|----------------------|------------------------------------|----------------------------------|
| City of Bellevue General Fund             | 0.96248                |                      | \$34,790,000                       | \$481                            |
| City of Bellevue Parks/Open Space         | 0.11237                |                      | \$4,060,000                        | \$56                             |
| Bellevue SD 405 (voted)                   | 3.19397                | \$130,966,000        | \$115,460,000                      | \$1,597                          |
| KC Library System General Fund            | 0.50000                |                      | \$18,080,000                       | \$250                            |
| KC Library System GO Bond (voted)         | 0.06175                |                      | \$2,230,000                        | \$31                             |
| <b>TOTAL OTHER DISTRICT LEVIES</b>        | <b>4.83</b>            | <b>\$130,966,000</b> | <b>\$174,620,000</b>               | <b>\$2,415</b>                   |

|  |             |  |                      |                |
|--|-------------|--|----------------------|----------------|
| <b>TOTAL PROPERTY TAX LEVIED IN BELLEVUE</b> | <b>9.52</b> |  | <b>\$344,320,000</b> | <b>\$4,762</b> |
|--|-------------|--|----------------------|----------------|

\* \*Typical property taxing districts for property owner in Bellevue. Other taxing districts are present within Bellevue City limits, including Issaquah Schools, Hospital Districts, etc. However, these have a minimal impact to the typical homeowner

**Property Tax Levies Impacting Bellevue**  
**By Taxing District Category**  
*2014*



| Property Tax Levies Impacting Bellevue (\$000) |                               |             |
|--|-------------------------------|-------------|
| Taxing District                                | Amt Raised by Bellevue (2014) | %           |
| Bellevue School District                       | \$115,460                     | 34%         |
| Washington State Schools                       | \$89,310                      | 26%         |
| King County                                    | \$54,810                      | 16%         |
| City of Bellevue                               | \$38,850                      | 11%         |
| Other Districts (EMS, Flood Zone, Ferry, Port) | \$25,580                      | 7%          |
| King County Library System                     | \$20,310                      | 6%          |
| <b>Total</b>                                   | <b>\$344,320</b>              | <b>100%</b> |

# Preliminary Budget – Reprint of 10/6/14 Materials

## ATTACHMENT F: EAST LINK MOU AND THE CIP

| Category  | Existing 2013– 19 CIP (mid-bi adoption)  | Recommended 2015-21 CIP<br><br>See* for recosting calcs.   | Anticipated Revenues from East Link                                      | “Beyond the Status Quo” Capital Investment Discussion   | Would City make this investment in absence of MOU?   |
|---|--|--|--|---|--|
| <b>A. Projects/expenditures tied to “Up-Front” \$100M Contribution</b>  | PW-R-181 East Link MOU Commitments <b>(\$33.7M)</b><br><i>Also in Utilities CIP --Public Utility Relocations (\$7M)</i><br><br>“Up-front” contribution is measured not in City expenditures but in value to Sound Transit, and includes a variety of other value items—dedication of existing City properties; coordination with street overlay program; assistance with private utility relocations, etc. | PW-R-181 re-costing <b>(+20.7M) for a total of (\$54.3M)</b><br><i>Note that, in addition to meeting East Link needs, the City has its own needs for the largest expenditures occurring under PW-R-181: acquisition of the Pine Forest site for Spring Blvd. Zone 1, and acquisition of the Metro parcel</i>   | 0  | 0   | PW-R-181 Most of this is property acquisition of sites also needed for City use—though in absence of MOU the City might expect partial reimbursement from ST |
| <b>B. Projects/expenditures tied to \$60M “contingent” contribution</b>   | 0  | 0  | 0  | 0   | No expenditure has been programmed   |
| <b>C. New Projects not anticipated by existing MOU, needed to address East Link impacts:</b><br><ul style="list-style-type: none"> <li>• Much larger portion of Metro site</li> <li>• Much greater impacts on City Hall Plaza and garage</li> </ul> | <b>G-86 City Hall East Garage (\$7.1M)</b>   | G-86 City Hall East Garage Development re-costing <b>(+0.9M) for a total of (\$8M)</b><br><ul style="list-style-type: none"> <li>• Contingency – assumes \$14M in ST Revenues (City Hall Parking and Metro Property) cannot be dedicated until further certainty regarding MOU</li> </ul><br>(Note loss of larger portion of Metro site than anticipated by MOU--not available for other purposes) | <b>\$14M (in Intergovernmental Revenue assumed in the 2015-2021 CIP)</b> | 0   | G-86 Expenditure would not be needed without East Link and was not anticipated by MOU—but currently showing offsetting revenues from ST                      |
| <b>D. East Link “synchro”:</b><br><ul style="list-style-type: none"> <li>• City-driven projects that save \$ if done at same time as East Link construction (need for these projects is City-driven--not tied to East Link)</li> </ul>              | PW-R-168 120 <sup>th</sup> Stage 3: NE 12 <sup>th</sup> to Northup Way <b>(\$19.2)</b><br><br>PW-R-166: 124 <sup>th</sup> —NE 14 <sup>th</sup> to Northup Way <b>(\$8.9M)</b>  | PW-R-168 re-costing <b>(\$-4.7M) for a total of (\$14.5M)</b><br><br>PW-R-166 re-costing <b>(+1.7M) for a total of (\$10.6M)</b><br><br>New Project: PW-R-172 Spring Blvd. Zone 1 <b>(\$20.3M)</b><br><br><b>ST Agreements have not yet been established.</b>  | 0  | 0   | These are entirely City projects; City gets significant benefit by doing them at same time as East Link  |
| <b>E. East Link complement:</b><br><ul style="list-style-type: none"> <li>• City projects that improve on East Link; help realize East Link opportunities</li> </ul>  | Indirect tie to design of numerous other Bel-Red streets   | Spring Blvd. Zone 2 –design <b>(\$2.1M)</b>  | 0  | Balance of Spring Blvd. Zone 1 <b>(\$8M)</b><br><br>Spring Blvd. 130 <sup>th</sup> to 132 <sup>nd</sup> WB <b>(\$3M)</b><br><br><b>Spring Blvd. 130<sup>th</sup> to 132<sup>nd</sup> EB (\$12M)</b><br><br>124 <sup>th</sup> Ave NE –12 <sup>th</sup> to 15 <sup>th</sup> <b>(\$12M)</b><br><br>Enhanced access to NE 6 <sup>th</sup> station – making up for reduced accessibility of new location <b>(\$5M)</b> | These are entirely City projects driven by City timing considerations  |
| <b>F. East Link Support</b>   | PW-R-159 East Link Analysis and Development <b>(\$11.1M)</b>   | PW-R-159 Each CIP has only 2 years funding added <b>(\$5.1M) for years 2015-2016 for a total project of 16.2M</b>  | 0  | 0   | These are expenditures entirely driven by East Link  |

\*Re-costing numbers derived by comparing “total est. cost” from Mid-BI Adopted CIP (December 2013) with “total budget request inception through 2021” in proposed CIP to calculate expenditures between the two CIPs.